

**AGENDA**  
**HEALTH SERVICES AND DEVELOPMENT AGENCY**

Legislative Plaza  
Room 12  
Sixth Avenue North & Union Street  
Nashville, TN

Wednesday, December 12, 2007

8:30 a.m. CST

- I. CALL TO ORDER
- II. DIRECTOR'S ANNOUNCEMENTS
- III. STATE HEALTH PLAN UPDATE
  - A. State Health Plan – Jim Shulman, Executive Assistant to the Commissioner of Finance & Administration
- IV. CERTIFICATE OF NEED APPLICATIONS

**Approved**

**Motion: Caldwell**

**2<sup>nd</sup>: Atchley**

**7-0-0**

**Troy and Handorf  
recused**

- A. Methodist Healthcare-University Hospital, Memphis (Shelby County), TN – CN0708-064  
The relocation of thirty-four (34) licensed adult psychiatric beds from 135 Pauline Street, Memphis (Shelby County), TN 38104 to 1265 Union Avenue, Memphis (Shelby County), TN 38104 on the Methodist Healthcare-University Hospital campus. There will be renovation of 14,616 square feet of space to accommodate the relocated psychiatric beds and services. The project will not affect any other licensed bed complements.  
\$ 1,025,252.00

**DEFERRED FROM THE NOVEMBER MEETING**

**WITHDRAWN**

- B. Huntsville Manor, Huntsville (Scott County), TN – CN0707-057  
The addition of twenty-four (24)\* skilled nursing home beds dually certified for Medicare and Medicaid. This project will increase the licensed bed complement from 96 to 120.  
\* These beds are subject to the 125 nursing home bed pool for 2007-2008.  
\$ 1,048,000.00

**DEFERRED FROM THE OCTOBER MEETING**

**WITHDRAWN**

**Approved**

**Motion: Handorf**

**2<sup>nd</sup>: Weaver**

**10-0-0**

- C. LasikPlus Vision Center, Franklin (Williamson County), TN – CN0707-059  
The construction and establishment of an ambulatory surgery treatment center (ASTC) limited to the provision of laser eye surgery services in approximately 3,644 square feet of leased space, and one procedure room housing multiple laser devices. No Medicare or TennCare services will be delivered at this surgery center.  
\$ 1,253,260.00

**Approved**

**Motion: Atchley**

**2<sup>nd</sup>: Handorf**

**10-0-0**

- D. United Regional Medical Center, Manchester (Coffee County), TN – CN0707-060  
The relocation and replacement of the existing licensed hospital from 1001 McArthur Drive to a proposed location which contains approximately twenty-three (23) acres at the southeast corner of the intersection of McArthur Drive and Oak Drive, Manchester (Coffee County), TN. Square footage for the new construction is 98,240 square feet. The fifty-four (54) licensed beds will remain unchanged. The move will involve major medical equipment. No existing services will be discontinued. This project will be part of a planned new hospital campus which will include a replacement nursing home facility.  
\$ 37,845,000.00

**Opposition:** Coffee County Hospital Group, Inc. d/b/a Medical Center of Manchester; Harton Regional Medical Center

**Approved**

**Motion:** Troy

**2<sup>nd</sup>:** Handorf

**10-0-0**

- E. United Regional Medical Center Nursing Home, Manchester (Coffee County), TN — CN0707-061  
The relocation and replacement of the existing licensed nursing home facility and the addition of thirty (30)\* new Medicare certified nursing home beds for a total of 102 nursing home beds. The nursing home is currently located at 1001 McArthur Drive and the proposed location contains approximately twenty-three (23) acres at the southeast corner of the intersection of McArthur Drive and Oak Drive, Manchester (Coffee County), TN. United Regional Medical Center plans to transfer the nursing home to Capital Funding, Inc., which will in turn lease it to Health Services, Inc., the proposed manager. The project will be part of a planned new hospital campus for the United Regional Medical Center on the same site.

\*These beds are subject to the 125 nursing home bed pool for 2007-2008.

\$ 9,286,849.00

**Opposition:** CLC of Manchester, LLC d/b/a Manchester Community Living Center; Manchester Healthcare Center, LLC and Vanguard of Manchester, LLC for Manchester Healthcare Center

**Note:** The applicant has withdrawn the request for the thirty (30) additional Medicare-certified beds. The space where the beds were to be located will be used for assisted living which is not CON reviewable.

**Denied**

**Motion:** Lammert

**2<sup>nd</sup>:** Morris

**8-0-0**

**Troy and Handorf  
recused**

- F. Bells' Quality Care of West Tennessee, Inc., Bells (Crockett County), TN — CN0708-063  
The establishment of a new home health agency to serve Haywood, Tipton, Hardeman, Fayette, Shelby, Lauderdale, Crockett, Gibson, Carroll & Dyer counties. The agency will provide a full ranges of services. The home office will be located at 127 Hopkins Avenue, Bells (Crockett County), TN.

\$ 133,000.00

**Opposition:** NHC/OP, L.P. d/b/a NHC HomeCare, Somerville & NHC HomeCare, Milan; Methodist Healthcare; Baptist Home Health and Hospice, Trinity; Baptist Home Health and Hospice, Covington; Baptist Home Health and Hospice, Huntingdon; Medical Center Home Health

**Approved**

**Motion:** Lammert

**2<sup>nd</sup>:** Morris

**8-0-0**

**Troy and Handorf  
recused**

- G. Baptist Memorial Home Care, Inc d/b/a Baptist Trinity Hospice House, Collierville (Shelby County), TN — CN0709-069  
The establishment of a residential hospice facility containing twenty-four (24) residential hospice beds to be located adjacent to Baptist Memorial Hospital-Collierville at 1500 Poplar Avenue, Collierville (Shelby County), TN 38017 to serve Shelby, Fayette and Tipton Counties.

\$ 10,254,656.00

**Approved**

**Motion:** Jones

**2<sup>nd</sup>:** Lammert

**8-0-0**

**Troy and Handorf  
recused**

- H. Alliance Health Services, Inc. d/b/a Methodist Alliance Hospice, Memphis (Shelby County), TN — CN0709-067  
The establishment of a thirty (30) bed residential hospice facility and the initiation of residential hospice services to be located at an unaddressed site on Qunice Road, Memphis (Shelby Co.), TN 38119. The service area includes Shelby, Fayette and Tipton Counties.

\$ 9,179,386.00

**Approved**

**Motion:** Handorf

**2<sup>nd</sup>:** Weaver

**10-0-0**

- I. Riverview Regional Medical Center - South, Carthage (Smith County), TN — CN0709-070  
The establishment of a ten (10)-bed geriatric psychiatric program and the initiation of geriatric psychiatric services. The licensed beds will increase from 25 to 35 as a result of this project. When these ten (10) geriatric psychiatric beds are licensed, the ten (10)-bed geriatric psychiatric service currently located at Riverview Regional Medical Center-North in Carthage will be closed and the beds will be surrendered. The project will require approximately 5,128 square feet of space to be renovated at Riverview Regional Medical Center-South.

\$ 342,000.00

**Denied**

**Motion:** Jones

**2<sup>nd</sup>:** Caldwell

**5-5-0**

CON denied due to lack of a majority vote in favor of granting CON. Subsequent motion to reconsider passed.

**Motion:** Handorf

**2<sup>nd</sup>:** Atchley

**10-0-0**

**Deferred to January**

- J. Behavioral Healthcare Center at Columbia, Columbia (Maury County), TN — CN0709-071  
The establishment of a twenty-six (26) bed mental health hospital and the initiation of inpatient psychiatric services focused on the geriatric population. All twenty-six (26)\* beds will be designated as geriatric psychiatric beds. The facility will be licensed by the Department of Mental Health and Developmental Disabilities.

\$ 4,041,072.00

**Opposition:** Rolling Hills Hospital

**Approved**  
**Motion: Lammert**  
**2<sup>nd</sup>: Handorf**  
**10-0-0**

- K. Bristol Regional Medical Center, Bristol (Sullivan County), TN — CN0709-073  
The conversion of thirty (30) skilled nursing home beds to thirty (30) acute care medical/surgical hospital beds in the main facility. The licensed bed complement of the hospital will increase from 282 to 312 hospital beds and skilled nursing home will be delicensed. Total beds spaces in the facility will not increase.  
\$ 425,720.00  
**Opposition:** Mountain States Health Alliance

#### V. GENERAL COUNSEL'S REPORT

**Approved**  
**Motion: Handorf**  
**2<sup>nd</sup>: Atchley**  
**10-0-0**

- A. Lebanon Endoscopy Center, PLLC, Lebanon (Wilson County), TN — CN0605-029A  
Request for modifications to increase square footage by 1,986 square feet from 1,867 square feet to 3,853 square feet; and project cost increase by \$214,000 from \$772,000 to \$986,000. These changes are due to changes requested by the State during the plans approval process. This project was approved August 23, 2006 for the establishment of an ambulatory surgery treatment center (ASTC) limited to Endoscopy with two (2) operating suites. The expiration date is October 1, 2008.

**Approved**  
**Motion: Handorf**  
**2<sup>nd</sup>: Caldwell**  
**10-0-0**

- B. Lincoln Medical Center, Fayetteville (Lincoln County), TN — CN0611-091A  
Request for modifications to increase project costs by approximately 27% from \$499,634 to \$635,000. This cost increase is due to material costs that were not foreseen in the development of the original construction budget. This project was approved February 28, 2007 for the establishment of a ten (10)-bed geropsychiatric unit and the initiation of psychiatric services increasing the licensed beds from forty-nine (49) to fifty-nine (59) beds. The expiration date is April 1, 2010.

**Approved**  
**Motion: Jones**  
**2<sup>nd</sup>: Atchley**  
**10-0-0**

- C. SkyRidge Medical Center, Cleveland (Bradley County), TN - CN0611-093A  
Request for modifications in order to comply with the revised 2006 AIA guidelines by converting 14 double occupancy inpatient rooms to 14 single inpatient occupancy rooms. This modification decreases the beds by 14 for a 31-bed medical/surgical unit and 10-bed ICU. The project cost will decline approximately by \$75,000 from the original project cost of \$45,080,000 to 45,005,000. This project was approved at the March 28, 2007 meeting for the modification to the physical plant, including the expansion of the emergency department, surgery department, intensive care unit and patient care areas. The expiration date is May 1, 2010.

**Approved**  
**Motion: Jones**  
**2<sup>nd</sup>: Atchley**  
**10-0-0**

- D. White House Healthcare, White House (Robertson County), TN — CN9409-062AEEE  
Request for a six (6) month extension of the expiration date from December 31, 2007 to June 30, 2008. The original Certificate of Need was approved on December 14, 1994 for the construction and operation of a one hundred forty (140) bed intermediate and skilled care nursing facility featuring a twenty-four (24) bed Alzheimer's special care unit, a twenty-four (24) skilled nursing facility rehabilitation unit, and a ninety-two (92) bed unit dually certified for both Medicare and Medicaid. The original expiration date of February 1, 1997 was extended to December 12, 2004 due to dismissal of a contested case. On May 26, 2004 the HSDA granted an extension of the December 12, 2004 expiration date to December 12, 2005 and cost over-run from \$5,100,000 to \$6,420,000. On September 22, 2004 the Agency approved an additional extension of the expiration date from December 12, 2005 to December 31, 2006. At the March 22, 2006 meeting modifications were approved for the construction of five (5) twelve (12)-bed facilities instead of a single 140 bed facility and to extend the expiration date from December 31, 2006 to December 31, 2007.

#### VI. OTHER BUSINESS

**Approved**  
**Motion: Atchley**  
**2<sup>nd</sup>: Hill**  
**10-0-0**

- A. Emergency Certificate of Need — St. Jude Children's Research Hospital (SJRH), Memphis (Shelby County), CN0405-049A (Chili's Care Center)  
This project was approved at the October 27, 2004 meeting for the construction of a seven (7) story building; acquisition of a linear accelerator, cyclotron, two 2.0 Tesla magnetic resonance imaging (MRI) units, a PET/CT scanner; and for the addition of sixteen (16) licensed hospital beds to be located on the hospital's campus. The expiration date was December 1, 2007. The construction company encountered numerous difficulties and was not able to complete the project by the expiration date. The only PET/CT scanner and 3.0 Tesla MRI available at SJRH have been moved and will be unavailable for use.

VII. MINUTES

A. Approval of November 14, 2007 Minutes

VIII. ADJOURNMENT